

EXHIBIT C

AFFIDAVIT OF IRVING PICARD

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-1789 (BRL)

SIPA Liquidation

**AFFIDAVIT IN SUPPORT OF MOTION FOR ENTRY OF ORDER PURSUANT TO
SECTION 105(a) OF THE BANKRUPTCY CODE AND RULES 2002 AND 9019 OF THE
FEDERAL RULES OF BANKRUPTCY PROCEDURE APPROVING AN AGREEMENT
BY AND AMONG THE TRUSTEE AND OPTIMAL STRATEGIC U.S. EQUITY
LIMITED AND OPTIMAL ARBITRAGE LIMITED**

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

Irving H. Picard, being duly sworn, hereby attests as follows:

1. I am the trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC (the "Debtor"). I am familiar with the affairs of the Debtor. I respectfully submit this Affidavit in support of the Motion for Entry of Order Pursuant to Section 105(a) of the Bankruptcy Code and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure Approving a Settlement Agreement By and Among the Trustee and Optimal Strategies U.S. Equity Limited and Optimal Arbitrage Limited.

2. I make this Affidavit based upon my own personal knowledge or upon information that I believe to be true.

3. All capitalized terms not defined herein have the meaning ascribed to them in the Motion.

4. I believe that the terms of the Settlement Agreement fall above the lowest point in the range of reasonableness and, accordingly, should be approved by this Court. The Settlement Agreement resolves all issues regarding the Claims, without the need for protracted, costly and uncertain litigation. I recognize that litigating the Claims would undoubtedly be complex and expensive for the Debtor's estate, involving significant time of various professionals and increasing the administrative burden on the Debtor's estate. Moreover, the Optimal Companies, both of which are located in the Bahamas, have each cited potential jurisdictional and other issues regarding my ability to collect on any judgment that I might obtain in respect to the Claims.

5. Given the potential impact of these issues, and the cost and complexities involved in proceeding with litigation, I have determined that the Settlement Agreement represents a fair compromise of the Debtor's claims against the Optimal Companies. The Settlement Agreement also furthers the interests of the customers of BLMIS by bringing a substantial amount of money into the estate.

6. I have, together with my counsel, conducted a confirmatory investigation, including a review of documents made available to me by the Optimal Companies that related to, among other things, due diligence conducted by the Optimal Companies and their affiliates on BLMIS. On the basis of the review, I concluded that the Optimal Companies and their affiliates were not complicit in the fraud perpetrated by BLMIS and Bernard Madoff on BLMIS's customers and did not have actual knowledge of the fraud. And based on the review, I do not believe that the conduct, acts and omissions of the Optimal Companies and their affiliates


provide grounds to assert any claim against the Optimal Companies or any affiliates (other than avoiding power claims), or to disallow any claim that SUS or Arbitrage may have against BLMIS or its estate. If I obtain new information relating to the BLMIS accounts of the Optimal Companies that materially affects my decision to enter into the Agreement, I will provide such information to the Optimal Companies and permit them to respond within ten days. After reviewing the response, I may declare the Agreement and the settlement contained therein void and return the amounts paid by the Optimal Companies.

7. In sum, I respectfully submit that the Settlement Agreement should be approved (a) to avoid lengthy, burdensome and expensive litigation and (b) because the Settlement Agreement represents a reasonable compromise of the Claims.



IRVING H. PICARD

Subscribed and Sworn to before me
this 26th day of May, 2009



Notary Public

DAMIAN SMITH
Notary Public, State of New York
No. 01SM6169097
Qualified in New York County
Commission Expires June 18, 2011